

BABERGH DISTRICT COUNCIL

From: Director of Finance	Report Number: L130
To: Overview and Scrutiny (Stewardship) Committee	Date of meeting: 24 January 2012

EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2010/11

1. Purpose of Report

- 1.1 The Council's external auditors (PKF) to report on the Annual Audit Letter 2010/11.

2. Recommendations

- 2.1 That the contents of the external auditors Annual Audit Letter for 2010/11 outlined in Appendix A be noted.

The Committee is able to resolve this matter.

3. Financial Implications

- 3.1 There are no direct financial implications from this report. The Annual Audit Letter is produced as part of the agreed external audit plan by PKF and is funded from within existing budgets.

4. Risk Management

- 4.1 This report is most closely linked with the Council's Corporate / Significant Business Risk No. 6 – Performance & Cost Management. Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
Significant issues arise with the Council's accounts, internal audit/control arrangements or delivery of value for money.	Very Low	Marginal	The work carried out by the internal and external auditors assist the Council in ensuring that arrangements are in place for the proper conduct of its business and that it safeguards and properly accounts for public money.

5. Consultations

- 5.1 The nature of the report is such that consultation has not been required.

6. Equality Analysis

- 6.1 There are no equalities implications arising from this report.

7. Shared Service / Partnership Implications

7.1 There are no shared service/partnership implications associated with this report.

8. Key Information

8.1 The Annual Audit Letter, Appendix A, provides a high level summary of the key issues arising from the work carried out by the Council's external auditors, PKF, during the year, for the benefit of Members and other interested stakeholders.

8.2 Detailed findings and conclusions from PKF's audit were reported in their Annual Governance Report to Members of this Committee in September 2011 (Paper L69).

8.3 The key messages from the report are that an unqualified audit opinion on the Council's Statement of Accounts was given, and there are satisfactory arrangements in place to secure economy, efficiency and effectiveness.

8.4 Special mention is made that the Council had effectively managed the transition to financial reporting under the International Financial Reporting Standards (IFRS).

8.5 In addition, no significant issues were identified from the external auditor's review of the Council's accounting and internal control systems.

8.6 The Annual Audit Letter will be published on the Council's website as part of the Council's Corporate Governance arrangements.

9. Appendices

Title	Location
(a) Annual Audit Letter 2010/11	Attached

10. Background Documents

10.1 Paper L69 - External Audit's Annual Governance Report 2010/11

Authorship:
John Snell
Audit Manager

Tel: 01473 825822
Email:
john.snell@babergh.gov.uk